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Management Division

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Government-wide
Accounting and Financial
Management Issues Issue
Area

Active Assignments

Foreword

This report was prepared primarily to inform Congressional members and key staff of ongoing assignments in the General Accounting Office's Government-wide Accounting and Financial Management Issues issue area. This report contains assignments that were ongoing as of August 17, 1998, and presents a brief background statement and a list of key questions to be answered on each assignment. The report will be issued quarterly.

This report was compiled from information available in GAO's internal management information systems. Because the information was downloaded from computerized data bases intended for internal use, some information may appear in abbreviated form.

If you have questions or would like additional information about assignments listed, please contact Gary Engel, Director, on (202) 512-8815; or Gregory Kutz, Associate Director, on (202) 512-9505.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is essential for ensuring transparency and accountability in the organization's operations.

2. The second part of the document outlines the various methods and tools used to collect and analyze data. It highlights the need for consistent and reliable data collection processes to support effective decision-making.

3. The third part of the document focuses on the role of technology in data management and analysis. It discusses how modern software solutions can streamline data collection, storage, and reporting, thereby improving efficiency and accuracy.

4. The fourth part of the document addresses the challenges associated with data management, such as data quality, security, and privacy. It provides strategies to mitigate these risks and ensure that data is used responsibly and ethically.

5. The fifth part of the document concludes by summarizing the key findings and recommendations. It stresses the importance of ongoing monitoring and evaluation to ensure that data management practices remain effective and aligned with the organization's goals.

6. The sixth part of the document provides a detailed overview of the data management framework, including the roles and responsibilities of various stakeholders involved in the process.

7. The seventh part of the document discusses the integration of data management with other organizational systems and processes, ensuring a cohesive and integrated approach to data handling.

8. The eighth part of the document explores the future trends in data management, such as the use of artificial intelligence and machine learning to enhance data analysis capabilities.

9. The ninth part of the document provides a comprehensive list of resources and references used in the research, allowing readers to explore the topic further.

10. The tenth part of the document offers a final summary and a call to action, encouraging the organization to adopt best practices in data management to achieve its strategic objectives.

Contents

	Page
HIGH RISK-GAFM	
<i>New</i> • HRA 15: MONITORING OUTSTANDING ISSUES RELATING TO CUSTOMS SERVICE'S FINANCIAL MANAGEMENT.	1
FINANCIAL CONDITION-GAFM	
<i>New</i> • HRA 20: FY 1997 IRS INTERNAL CONTROLS.	1
• HRA 20:MANAGEMENT LETTER: EXCISE TAXES COLLECTED FOR FISCAL YEAR 1997.	1
• RECONCILIATION OF AGENCY FUND BALANCES WITH TREASURY ACCOUNTS.	1
• OTHER MONETARY ASSETS FY 98 CONSOLIDATED FINANCIAL STATEMENTS OF THE U.S. GOVERNMENT.	2
• FINANCIAL AUDIT OF THE SCHEDULE OF FEDERAL DEBT MANAGED BY THE BUREAU OF THE PUBLIC DEBT FOR FISCAL YEAR ENDED.	2
• HRA 20:FINANCIAL AUDIT: EXAMINATION OF IRS' FISCAL YEAR 1998 CUSTODIAL FINANCIAL STATEMENTS.	2
• FY 98 CASH AUDIT PROCEDURES FOR CASH MANAGED BY FMS.	2
<i>New</i> • FY 98 AGENCY FUND BALANCES WITH TREASURY (FBWT) ACCOUNT RECONCILIATIONS.	3
<i>New</i> • REVIEW OF THE FEDERAL EMPLOYEE AND VETERAN BENEFITS PAYABLE LINE ITEM.	3
<i>New</i> • CFS AUDIT OF THE OTHER ASSETS LINE ITEM FOR FY 1998.	3
<i>New</i> • CFS AUDIT OF THE ACCOUNTS RECEIVABLES LINE ITEM FOR FY 1998.	3
<i>New</i> • FY 98 COMPILATION FOR THE CONSOLIDATED FINANCIAL STATEMENT OF THE U.S. GOVERNMENT.	4
<i>New</i> • AGENCY AUDIT APPROACH--DEPARTMENT OF THE TREASURY/FY 98 CFS.	4
<i>New</i> • IRS SECURITY WEAKNESSES OVER RECEIPTS AND TAXPAYER DATA.	4
FINANCIAL OPERATIONS-GAFM	
• HRA 3: MONITORING ASSET FORFEITURE PROGRAMS AT CUSTOMS AND DOJ.	4
• REVIEW OF THE INTERNAL CONTROLS OVER THE DRUG ENFORCEMENT AGENCIES ACQUISITION OF GOODS AND SERVICES.	5
• HRA 20: FY 1997 IRS MANAGEMENT LETTER.	5
<i>New</i> • HRA 2:FINANCIAL MANAGEMENT: COMPONENTS AND COLLECTIBILITY OF IRS' UNPAID ASSESSMENTS.	5
• ASSESSMENT OF GENERAL CONTROLS AND APPLICATION CONTROLS FOR KEY TREASURY FINANCIAL APPLICATIONS MAINTAINED AND OPERATED BY THE FEDERAL RESERVE BANKS.	5
<i>New</i> • REVIEW OF THE U.S. TREASURY OFFICE OF INSPECTOR GENERAL'S AUDIT OF THE U.S. CUSTOMS SERVICE (CUSTOMS).	6
<i>New</i> • GSA FISCAL YEAR 1998 FINANCIAL STATEMENTS AUDIT.	6
<i>New</i> • DOC FISCAL YEAR 1998 FINANCIAL STATEMENTS AUDIT.	6
<i>New</i> • REVIEW OF U.S. TREASURY OFFICE OF INSPECTOR GENERAL'S AUDIT OF THE BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS (ATF).	6

Governmentwide Acctng & Financial Mgmt Issues

HIGH RISK-GAFM

TITLE: HRA 15: MONITORING OUTSTANDING ISSUES RELATING TO CUSTOMS SERVICE'S FINANCIAL MANAGEMENT (901779)

KEY QUESTIONS : We provided additional information on 12 areas within GAO's high-risk program. These areas were assigned to individual members of the Congress for follow up. Meetings were held with members and their staff to brief them on the areas. They plan to work with GAO and agencies to help assure actions are taken to resolve long outstanding high-risk issues. We were contacted by members assigned to the Customs' financial management area and plan to work with them and the agency to address outstanding issues in this area. Under this assignment, we will continue to monitor, evaluate and report on Customs' ongoing efforts to improve its financial management, especially the implementation of its planned nationwide In-bond Compliance Measurement Program.

FINANCIAL CONDITION-GAFM

TITLE: HRA 20: FY 1997 IRS INTERNAL CONTROLS (919180)

KEY QUESTIONS : In our audit report on the Internal Revenue Service's (IRS) FY 1997 Custodial Financial Statements, we briefly discussed weaknesses in internal controls and compliance issues identified during our audit work and stated that we would discuss these matters in more detail along with our recommendations in a separate report. The purpose of this assignment is to develop these internal control and compliance issues in more detail and to formulate recommendations to address the deficiencies identified in our FY 1997 audit.

TITLE: HRA 20:MANAGEMENT LETTER: EXCISE TAXES COLLECTED FOR FISCAL YEAR 1997 (919181)

KEY QUESTIONS : GAO performed agreed-upon procedures to assist the Department of Treasury and Department of Labor Inspectors General in ascertaining whether the net excise tax collections and excise tax certifications reported by the Internal Revenue Service for the fiscal year ended September 30, 1997 are supported by underlying records. In performing these procedures, GAO identified internal control issues associated with the collection and certification processes. What are the internal control issues identified during the review of the excise tax collection and certification process?

TITLE: RECONCILIATION OF AGENCY FUND BALANCES WITH TREASURY ACCOUNTS (919199)

KEY QUESTIONS : Under the Government Management and Reform Act of 1994, GAO audited the government's consolidated financial statements for FY 1997. The monthly process of reconciling the Fund Balances with Treasury (FBWT) accounts is a key internal control over recording overall government and individual agency receipts and disbursements. 1) Are agencies properly and timely reconciling Fund Balance accounts? (2) Is Treasury adequately assisting agencies that have reconciliation problems? (3) What initiatives have Treasury and agencies taken to improve reconciliations?

Governmentwide Acctng & Financial Mgmt Issues

TITLE: OTHER MONETARY ASSETS FY 98 CONSOLIDATED FINANCIAL STATEMENTS OF THE U.S. GOVERNMENT (919203)

KEY QUESTIONS : Under the Government Management Reform Act, GAO will audit the FY98 governmentwide consolidated financial statements (CFS). Other Monetary Assets (OMA), a material component of the Cash and OMA line item, totalled \$47 billion in FY 97 and included gold reserves, special drawing rights, foreign currencies, and the US reserve position in the International Monetary Fund. We will determine whether (1) OMA and related disclosures are fairly stated at 9/30/98 in relation to the CFS taken as a whole, (2) there are material weaknesses in internal controls over OMA related to safeguarding, compliance, and assuring that there were no material misstatements, and (3) all significant laws and regulations relating to OMA were identified and sufficient compliance tests were performed.

TITLE: FINANCIAL AUDIT OF THE SCHEDULE OF FEDERAL DEBT MANAGED BY THE BUREAU OF THE PUBLIC DEBT FOR FISCAL YEAR ENDED (919204)

KEY QUESTIONS : The Bureau of the Public Debt is responsible for managing and reporting essentially all of the federal debt and related unamortized discount, interest payable, and interest expense. GAO's audit responsibilities include supporting the opinion on the federal government's fiscal year 1998 Consolidated Financial Statements along with rendering an opinion on the fiscal year 1998 Schedule of Federal Debt Managed by BPD. As such, GAO must determine the reasonableness of the reported federal debt and related unamortized discount, interest payable, and interest expense as well as report on BPD's internal controls and compliance with selected laws and regulations relating to these amounts.

TITLE: HRA 20: FINANCIAL AUDIT: EXAMINATION OF IRS' FISCAL YEAR 1998 CUSTODIAL FINANCIAL STATEMENTS (919205)

KEY QUESTIONS : The Chief Financial Officer's (CFO) Act requires the Internal Revenue Service (IRS) to prepare financial statements for fiscal year 1998. This is the seventh year that U.S. General Accounting Office (GAO) will audit the IRS' Custodial Financial Statements. With collections of about \$1.6 trillion and refunds of about \$142 billion, the audit is a significant undertaking which will utilize significant staff resources. Our examination of IRS' FY 1998 Custodial Financial Statements will address the following: (1) Are the IRS Custodial Financial Statements, including the Overview of the Reporting Entity, fairly stated as of and for the year ending September 30, 1998? (2) Are the IRS internal controls effective? (3) Is the IRS in compliance with pertinent laws and regulations?

TITLE: FY 98 CASH AUDIT PROCEDURES FOR CASH MANAGED BY FMS (919208)

KEY QUESTIONS : Under the Government Management Reform Act (GMRA), GAO will audit the FY 1998 governmentwide consolidated financial statements. Treasury's Financial Management Service (FMS), along with the Federal Reserve as its fiscal agent, functions as the central bank for the federal government. We will determine if (1) the federal government's FY 98 ending cash balances (estimated to be about \$45 billion) and the related disclosures are reliable in all material respects, (2) internal controls (including EDP controls) over disbursements and collections (each estimated to be over \$1 trillion) are working effectively, and (3) FMS is in compliance with significant laws and regulations related to the cash line item.

Governmentwide Acctng & Financial Mgmt Issues

TITLE: FY 98 AGENCY FUND BALANCES WITH TREASURY (FBWT) ACCOUNT RECONCILIATIONS (919223)

KEY QUESTIONS : Under the Government Management Reform Act of 1994, GAO will audit the government's Consolidated Financial Statements (CFS) for FY 1998. The monthly process of reconciling agencies' Fund Balances with Treasury accounts (FBWT) is a key internal control over recording overall government and individual agency receipts and disbursements. We will determine whether (1) federal agencies are properly and timely reconciling FBWT accounts and 2) Treasury processes related to reconciliation of FBWT accounts are effective in ensuring that Treasury is providing timely and accurate information to the agencies.

TITLE: REVIEW OF THE FEDERAL EMPLOYEE AND VETERAN BENEFITS PAYABLE LINE ITEM (919227)

KEY QUESTIONS : Under provisions in the Government Management Reform Act of 1994, the General Accounting Office will audit the governmentwide consolidated financial statements for fiscal year 1998. The Federal Employee and Veteran Benefits Payable line item represents actuarial liability estimates for future retirement, disability, life insurance, workers' compensation, and postretirement health care administered by OPM, DOD, Labor, Coast Guard and others and for the veterans compensation program. (1) Are the line item and footnote disclosures fairly stated for FY 1998? (2) Were there material weaknesses in internal controls for the line item? (3) Was there compliance with the laws and regulations that have a direct and material impact on the line item?

TITLE: CFS AUDIT OF THE OTHER ASSETS LINE ITEM FOR FY 1998 (919241)

KEY QUESTIONS : Under the Government Management Reform Act, GAO will audit the consolidated financial statements (CFS) for FY 98. Other Assets is a material line item that totaled \$62.9 billion at September 30, 1997. Numerous agencies contribute to this line item. Our objectives are to determine whether (1) the line item and related disclosures are reliable in relation to the CFS taken as a whole, (2) there are material weaknesses in internal controls over the line item related to safeguarding, compliance and assuring that there were no material misstatements, and (3) all laws and regulations relating to the line item that have a direct and material effect on the CFS were identified and sufficient compliance tests performed, and any instances of noncompliance properly reported.

TITLE: CFS AUDIT OF THE ACCOUNTS RECEIVABLES LINE ITEM FOR FY 1998 (919242)

KEY QUESTIONS : Under the Government Management Reform Act, GAO will audit the consolidated financial statements (CFS) for FY 98. Accounts Receivable is a material line item that totaled \$35.2 billion at September 30, 1997. Numerous agencies contribute to this line item. Our objectives are to determine whether (1) the line item and related disclosures are reliable in relation to the CFS taken as a whole, (2) there are material weaknesses in internal controls over the line item related to safeguarding, compliance and assuring that there were no misstatements, and (3) all laws and regulations relating to the line item that have a direct and material effect on the CFS were identified and sufficient compliance tests performed, and any instances of noncompliance properly reported.

Governmentwide Acctng & Financial Mgmt Issues

TITLE: FY 98 COMPILATION FOR THE CONSOLIDATED FINANCIAL STATEMENT OF THE U.S. GOVERNMENT (919252)

KEY QUESTIONS : Under the Government Management Reform Act (GMRA), GAO will audit the consolidated financial statements (CFS) of the federal government for FY 98. Treasury's Financial Management Service (FMS) will prepare the CFS. As part of our audit we will review FMS's compilation of the CFS. The primary objectives of such a review will be to (1) update our understanding of FMS's process and procedures for obtaining agency financial data, obtaining verification and confirmation from agency CFOs and IGs, eliminating interagency balances, and compiling the CFS, and (2) determine whether these processes and procedures provide reasonable assurance that amounts and disclosures are materially consistent with underlying audited data and in conformity with federal accounting standards.

TITLE: AGENCY AUDIT APPROACH--DEPARTMENT OF THE TREASURY/FY 98 CFS (919256)

KEY QUESTIONS : Under the Government Management Reform Act (GMRA), GAO will audit the consolidated financial statements (CFS) of the federal government for FY98. Treasury is responsible for managing virtually all public debt, collecting virtually all federal revenues, and making disbursements on behalf of federal agencies (excluding primarily DOD). It also provides central accounting and reporting for the government. Our objectives are to determine (1) whether Treasury properly produced reliable departmentwide financial statements; (2) whether the Treasury OIG properly reported on those statements and related internal controls and compliance with laws and regulations; and (3) any impact of these on the consolidated governmentwide financial statements.

TITLE: IRS SECURITY WEAKNESSES OVER RECEIPTS AND TAXPAYER DATA (919282)

KEY QUESTIONS : Our report on the Internal Revenue Service's (IRS) FY 1997 Custodial Financial Statements noted control weaknesses over receipts processing by IRS. The purpose of this assignment is to 1) follow-up on control weaknesses over cash receipts as part of our FY 98 financial statement audit of IRS, 2) observe IRS processing of cash and taxpayer data during peak filing season when controls may be at their weakest, and 3) provide immediate feedback to IRS management so that prompt, corrective actions can be taken.

FINANCIAL OPERATIONS-GAFM

TITLE: HRA 3: MONITORING ASSET FORFEITURE PROGRAMS AT CUSTOMS AND DOJ (901768)

KEY QUESTIONS : We provided additional information on 12 areas within GAO's high-risk program. Subsequently, areas were assigned to individual members for follow up and a series of meetings were held with members and key staff to brief them on the areas. Members plan to work with GAO and agencies in helping to assure actions are taken to resolve long standing high-risk issues. The asset forfeiture program areas at Customs and Justice is one of the 12 areas noted above. We expect to be contacted by the members assigned to the area and work with them and the agency to address outstanding issues relating to weaknesses in internal controls over seized property. Under this assignment, GAO will continue monitoring the asset forfeiture programs, in particular the seized property area, at the 2 agencies.

Governmentwide Acctng & Financial Mgmt Issues

TITLE: REVIEW OF THE INTERNAL CONTROLS OVER THE DRUG ENFORCEMENT AGENCIES ACQUISITION OF GOODS AND SERVICES (901778)

KEY QUESTIONS : Recently, there have been two separate cases of procurement fraud at the Drug Enforcement Agency (DEA). GAO has been requested to perform a high-level review of DEA's internal controls over procurements, payment processing and disbursements in order to determine (1) how the two embezzlements occurred and (2) what actions DEA is taking regarding its internal controls to prevent future incidents.

TITLE: HRA 20: FY 1997 IRS MANAGEMENT LETTER (919182)

KEY QUESTIONS : We conducted an examination of the Internal Revenue Services' (IRS) FY 1997 Custodial Financial Statements. In our report, we identified six material weaknesses, one reportable condition, one instance of noncompliance with selected provisions of laws and regulations, and noncompliance with the requirements of the Federal Financial Management Improvement Act of 1996 (FFMIA). We also identified other less significant internal control issues which should be reported to IRS management along with suggestions for their resolution. The purpose of this assignment is to report these less significant issues to IRS management along with suggestions for corrective action.

TITLE: HRA 2: FINANCIAL MANAGEMENT: COMPONENTS AND COLLECTIBILITY OF IRS' UNPAID ASSESSMENTS (919183)

KEY QUESTIONS : IRS reported \$214 billion in unpaid assessments (consisting of delinquent taxes, penalties, and interest) as of September 30, 1997. As a result of an April 15, 1998, congressional hearing on IRS financial management issues and GAO's audit of IRS' FY 1997 Custodial Financial Statements, GAO was requested to provide a detailed report on the composition and collectibility of IRS' unpaid assessments. (1) What factors have contributed to the growth in IRS' unpaid assessments? (2) What portion of IRS' unpaid assessments represent taxes receivable? (3) How much of IRS' unpaid assessments at September 30, 1997, are likely to be collected? (4) What factors affect IRS' ability to collect on its unpaid assessments?

TITLE: ASSESSMENT OF GENERAL CONTROLS AND APPLICATION CONTROLS FOR KEY TREASURY FINANCIAL APPLICATIONS MAINTAINED AND OPERATED BY THE FEDERAL RESERVE BANKS (919196)

KEY QUESTIONS : Under the Government Management Reform Act, GAO subjected the FY 97 federal consolidated financial statements to audit. As part of that work, we tested the effectiveness of the general controls over key Treasury financial systems operated and maintained by Federal Reserve Banks. We determined whether general controls (1) safeguarded the related assets of Treasury and the federal government; (2) restricted access to sensitive data and computer programs to prevent unauthorized changes and disclosure; and (3) ensured that backup and recovery plans would provide for continued essential operations in the event of an emergency. In addition, we evaluated and tested the application controls for financial applications to ensure the accuracy and integrity of the related financial data.

Governmentwide Acctng & Financial Mgmt Issues

TITLE: REVIEW OF THE U.S. TREASURY OFFICE OF INSPECTOR GENERAL'S AUDIT OF THE U.S. CUSTOMS SERVICE (CUSTOMS) (919251)

KEY QUESTIONS : GAO will audit the government's FY98 consolidated financial statements (CFS). The non-exchange revenues of the U.S. Customs Service, an entity of the Department of the Treasury, is material to the CFS non-exchange revenue line item. For this portion of the line item, our audit objectives are to determine whether: 1) the amount reported and related disclosures are reliable in relation to the CFS taken as a whole, 2) there are related material weaknesses in internal controls for safeguarding, complying and assuring that there were no material misstatements, and 3) all related laws and regulations that have a direct and material effect on the CFS were identified and sufficient compliance tests performed, and any instances of noncompliance properly reported.

TITLE: GSA FISCAL YEAR 1998 FINANCIAL STATEMENTS AUDIT (919258)

KEY QUESTIONS : The General Services Administration (GSA) had total assets of approximately \$19 billion as of September 30, 1997, and total expenses for FY 1997 of approximately \$10.4 billion. As part of our audit of the government's fiscal year 1998 financial statements, we will be reviewing the audit of GSA's statements. Will the GSA OIG/IPA conduct sufficient work to provide adequate assurance that: (1) GSA's financial management systems substantially comply with FFMIA requirements, FASAB standards, and the Standard General Ledger at the transaction level. (2) There are no inconsistencies between GSA's overview, other supplemental information and the consolidated agency statements. (3) All laws and regulations that have direct and material impact on the CFS are identified.

TITLE: DOC FISCAL YEAR 1998 FINANCIAL STATEMENTS AUDIT (919259)

KEY QUESTIONS : The Department of Commerce (DOC) had total assets of approximately \$8.5 billion as of September 30, 1997, and total expenses of approximately \$5.7 billion for fiscal year 1997. As part of our audit of the government's FY 1998 consolidated financial statements, we will review the audit of DOC's statements. Will the DOC OIG/IPA's conduct sufficient work to provide adequate assurance that: (1) DOC's financial management systems substantially comply with FFMIA requirements, FASAB standards, and the Standard General Ledger at the transaction level. (2) There are no inconsistencies between DOC's overview, other supplemental information and the consolidated agency statements. (3) All laws and regulations that have direct and material impact on the CFS are identified.

TITLE: REVIEW OF U.S. TREASURY OFFICE OF INSPECTOR GENERAL'S AUDIT OF THE BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS (ATF) (919267)

KEY QUESTIONS : Under GMRA, GAO will audit the government's FY 98 consolidated financial statements (CFS). The non-exchange revenues of the Bureau of Alcohol, Tobacco, and Firearms, a Treasury entity, are material to the CFS' non-exchange revenues line item, and are included in our audit. Our objectives are to determine whether: (1) the amount reported and related disclosures are reliable in relation to the CFS taken as a whole, (2) there are related material weaknesses in internal controls for safeguarding, complying with laws and regulations and assuring that there were no material misstatements, and (3) related laws and regulations that have a direct and material effect on the CFS were identified and sufficient compliance tests performed, and any instances of noncompliance properly reported.

